332.3
Il61
1923
cop.2

STATE OF ILLINOIS
Department of Trade and Commerce
DIVISION OF SMALL LOANS

MINIMUM REQUIREMENTS
OF
LICENSEES

As Amended September 1, 1923

AUG. 26th 1818

JUN 29 1927
UNIVERSITY OF ILLINOIS

LEN SMALL, Governor

CLIFFORD IRELAND
Director

FRANK E. O'BRYANT
Assistant Director

[Printed by authority of the State of Illinois.]

SCHNEPP & BARNES, PRINTERS
SPRINGFIELD, ILL.
3497—500.

STATE OF ILLINOIS.

DEPARTMENT OF TRADE AND COMMERCE.

DIVISION OF SMALL LOANS

In accordance with the provisions of an Act entitled "An Act to license and regulate the business of making loans in sums of three hundred dollars ($300) or less, at a greater rate of interest than seven (7) per centum per annum, etc.," approved June 14, 1917, in force July 1, 1917, the Department of Trade and Commerce, for the purpose of obtaining uniformity in the records of licensees and to facilitate any examination of such records, hereby establishes the following minimum requirements:

(1) CASH BOOK.

Each and every licensee shall keep a bound book, or if preferred a loose leaf record, provided sheets are numbered consecutively, of columnar cash book or cash book journal type, which book shall be a record of original entry, in which all transactions, entailing either the receiving or disbursement of any amount whatsoever, shall be entered. Separate columns must be provided for amounts received as payments on principal and interest and any amounts which may be collected from clients for filing and recording, with any public officer, any instrument securing the loan, or any attorney fees permitted by law to be collected for foreclosure.

The cash book must also plainly show all amounts paid out as loans to clients and the actual amount paid for filing or other fees, which may be, according to law, chargeable to any client. A record of the receipt and disbursement of any and all such fees shall be kept in the cash book and on record card. The payment of said fees shall be entered on loan register.

The record of all payments of principal and interest must be entered daily on the cash book or report sheet numerically, irrespective of the time of payment that day. For example, if interest or principal is paid on a certain date on loans Nos. 10, 9, 37 and 26, the entries on the cash book or report sheet should be 9, 10, 26, 37, in order to facilitate checking.

In fact the cash book must be a permanent record of all details of income and disbursements which are necessary as a basis for determining entries to individual accounts of clients or the business of the licensee as a whole.

(2) ACCOUNTS WITH CLIENTS.

Individual accounts must be kept by each licensee with each client, which accounts may be kept on card or in a loose leaf or bound ledger. Each account must show plainly the name and address of the client; the loan number; the actual amount loaned and date loan is made; the rate of interest charged; the terms of repayment; the nature of the security, if any; and such other information in regard to the nature and place of employment, phone numbers, etc., as may be necessary.

Account forms used must provide separate columns for payments on principal, interest, and any other charges which may be by law chargeable to the client, and accounts must be kept in such a manner as to show at once, on inspection, the balance due on principal and provide data for determination, easily and rapidly, of the amount of interest which may be due or accrued.

Each account must show plainly items as per enclosed specimen. (See Short Loan Form No. 2.)

(4913-500) 11.

S. L. Form 2.

LOAN No.		NAME	
DATE		ADDRESS	TEL.
AMT.		"	"
REPYT.		"	"
SECURITY		EMPLOYED	TEL.
FEES Received	Date Amt.	"	TEL.
Paid Out		RATE OF INTEREST—	

DUE			Date Paid.	Paid to	Int.	Prin.	Bal,	DUE			Date paid.	Paid to.	Int.	Prin.	Bal.
Date.	Paym't.	Interest.						Date.	Paym't.	Interest.					

Each and every loan made to one and the same person shall be kept separate and distinct from all subsequent loans to such person.

(3) FILE OF ORIGINAL PAPERS.

An envelope or other file must be maintained, in which shall be filed all the original notes, chattel mortgages, wage assignments, power of attorney or other evidences of indebtedness or security, which have been signed by the client.

All instruments taken in connection with any certain loan should bear its respective loan number.

This file shall be indexed in the same manner as the individual accounts mentioned in paragraph (2) hereof, so that all papers in connection with any loan may be checked with the corresponding individual account.

(4) LOAN REGISTER.

Each licensee shall keep a book called "Loan Register," or its equivalent, which shall disclose the account number, date, name of borrower, post office address, the nature of the security, maturity of the obligation, the rate of interest, the amount of the loan, interest, fees, date of final payment, total of all payments and by whom made, which loan register, or the equivalent thereof, shall be kept numerically by numbers of loans in the order made. This register shall have proper columns separating the various items required to be shown thereon.

(5) INDEX.

Each licensee shall keep a card or envelope index system on which all loans to each individual must be kept numerically as to date made, showing loan number, date of loan, amount of loan, and date of final payment. (See form one.)

(1912-500) 11

S. L. Form 1.

NO.

NAME

STREET No. City

Loan No.	Date.	Amount of Loan.		Date of final payment.

(6) ADDITIONAL RECORDS, FORMS OF NOTES, MORTGAGES, ASSIGNMENTS, ETC.

In addition to the records mentioned in paragraphs 1, 2, 3 and 4, each licensee may keep such card or other indexes, indexed as to location of client, due date of loan, or other information which may be considered necessary.

No form of note, mortgage, assignment, power of attorney, or other evidence of indebtedness, shall provide for a greater rate of interest, greater amount of charges for attorney fees, or any other charges, than are provided by law, nor shall any such paper contain any statement or provision contrary to or tending to nullify or enlarge any provision of the Act above referred to.

The statement of loan delivered to client at the time of making loan may be in pass or receipt book form or plain statement form, provided only that such statement must contain all information in regard to the loan, including a copy of section 2 of the law, as prescribed in section 3 of the same.

All books, accounts, forms, etc., referred to above shall be printed, written, or executed in the English language.

INTEREST.

All interest shall be computed on the basis of 30 days to each of the 12 months constituting the year.

No interest shall be collected on deferred payments. No payments shall be accepted on balance due, unless interest is paid to date.

Interest shall be computed on the exact amount of money for the actual number of days the loan is in force. For example:

A represents borrower; B the loan company. On July 1, 1923, A borrows $25 at 3½% interest a month. He makes repayment of loan in full July 15, 1923. B shall be entitled to receive interest from July 1, 1923, to July 15, 1923, a period of 14 days. The interest on $25 for 14 days being 41 cents, B shall receive on July 15 the sum of $25 plus accrued interest; the grand total of repayment of principal and interest being $25.41.

In each and every case, where chattel mortgage (or bill of sale) is acknowledged or recorded, the actual fee for the same may be paid by the borrower.

The Department of Trade and Commerce reserves the right at any time hereafter to alter, modify or add to the foregoing requirements as the exigencies of the administration of the law require.

Done at Springfield, Illinois, this first day of September, A. D. 1923.

CLIFFORD IRELAND,
Director of Trade and Commerce.

THE LIBRARY OF THE
JUN 29 1927
UNIVERSITY OF ILLINOIS